

## MEMORANDUM OF UNDERSTANDING

Public Utility District No. 1 of Chelan County, Washington ("Chelan PUD"), a Washington municipal corporation, and the City of Wenatchee, a first class City under the laws of the State of Washington, ("CITY"), have agreed to establish guiding principles to facilitate the City in creating and executing a Local Revitalization Financing District (LRFD).

### BACKGROUND

The CITY, through the Waterfront Sub-Area Planning process (2003) and the Wenatchee Visioning Process (2002), has determined that it is a priority of the community to have more public access to the Columbia River for recreational opportunities.

Chelan PUD and the CITY entered into a Ground Lease ("Lease") for CITY owned land within the boundary of Wenatchee Riverfront Park effective November 22, 1983 and continuing thereafter until expiration of the FERC License. The Lease provides for Chelan PUD's construction, maintenance and operation of Wenatchee Riverfront Park.

The CITY is pursuing Local Revitalization Financing (LRF) in a continued effort to implement the Waterfront Subarea Plan through the addition of public amenities and infrastructure estimated at approximately \$17 million. Projects in the plan may include:

1. Waterfront Gateway and pedestrian improvements connecting downtown to the Riverfront along Orondo Avenue.
2. Visual and odor mitigation of the City's Wastewater Treatment Plant
3. Development of the Pybus Market (South Node)
4. Parking lot Improvements at the foot of Ninth Street adjacent to the Linden Tree area. (lot is owned by Chelan PUD)
5. Remediation of the municipal garbage dump located between the river and the old public works site. Removal of the garbage may allow for the development of additional boating facilities, including but not limited to parking and a marina. This project, previously identified in a design charette planning process, is of particular interest to Chelan PUD as it is located within Riverfront Park.

Full implementation of these projects requires the CITY to complete additional planning and engineering efforts to further refine the implementation of the waterfront subarea plan and the results of the south node design charette. It is critically important to the success of this effort for the CITY and Chelan PUD staff to continue a cooperative and collaborative planning approach.

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE, the parties to this agreement set forth the following as an understanding between the Parties to enable the CITY to move forward with LRFD process.

### Guiding Principles

1. All planning will incorporate these fundamental principles if any project is to move forward.
2. Parking and other support facilities will be provided for all new uses in the park. The CITY will work to maximize the parking for development outside the park to minimize the impact on available public parking within the park.

3. Any plan shall preserve the total net area in Wenatchee Riverfront Park. Change in use from a landscaped area to a marina is not considered by the District to be a reduction in park area.
4. The Chelan PUD will incur no increase in operating and maintenance costs or other costs or liability now or in the future as a result of any improvements associated with this effort. The City will indemnify and hold the District harmless from all liabilities associated with the improvements and this obligation will be in perpetuity. Increased use of the park in general is not considered an increase associated with an improvement. Should the City decide to no longer directly operate or fund the operation of any improvement, the City will be responsible for costs, if any, associated with the removal of the improvement that can reasonably be removed.
5. Additional boat trailer parking of not less than 11 spaces associated with the Orondo Avenue day- use moorage dock will be incorporated into any plan. Guiding Principle No. 4 does not apply to this project as it is an existing project.
6. Funding for paving Chelan PUD-owned land adjacent to the Linden Tree section of the park should be included. Guiding Principle No. 4 does not apply to this project as it is an existing project.
7. Pedestrian access from Orondo Avenue with interface to the loop trail should be included.
8. Mitigation for wastewater treatment plant odor and visual impact should be included. It is anticipated that in order to efficiently accomplish this project, the City may need to *stage on* and potentially *re-contour* portions of the Chelan PUD Riverfront Park. There will be no charge for either impact on the park. It is agreed however that upon completion of this project that the City will restore the park to its original condition. The City agrees to indemnify the District against any and all claims arising out of City's actions within the park.
9. The project will fund all project costs including, but not limited to, engineering and external attorney or consultant costs. City and Chelan PUD management staff will not be considered project costs. Any engineering, permitting or other specialized services performed by the Chelan PUD staff will be agreed upon in advance and reimbursed as a project cost.

The principles are intentionally high level and do not address all steps that will be required to accomplish these goals, including approval by the Federal Energy Regulatory Commission. They are intended to establish the basic principles on which the detailed planning and future agreements will be based.

Signed this \_\_\_\_\_ day of December 2009.

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY,  
WASHINGTON

By: \_\_\_\_\_

Rich Riazzi, General Manager

CITY OF WENATCHEE

By: \_\_\_\_\_

Dennis Johnson, Mayor